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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/650,045

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William T. Geddes Jr.

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EXAMINER

THEIN, MARIA TERESA T

ART UNIT

PAPER NUMBER

3627

DATE MAILED: 09/21/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/650,045

Applicant(s)

GEDDES JR. ET AL.

Examiner

Marissa Thein

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 05 July 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 231-278 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 231-278 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on July 5, 2005 has been entered.

Response to Amendment

Applicant's "Request for Continued Examination" filed on July 5, 2005 has been considered with the following effect.

Claims 1-230 are cancelled. New claims 231-278 are added. Claims 231-278 remain pending in this application.

Response to Arguments

Applicant's arguments with respect to claims 1-5 and 7-23 have been considered but are moot in view of the new ground(s) of rejection.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 255-278 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather,

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statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the *Freeman-Walter-Abele* test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, the body of the claims 255-278 are trivial use of the technology. The steps of transacting, authorizing, accessing, and providing have no structural or functional interrelationship with these method steps, which could all be performed manually by a person. Therefore, the claims are directed towards non-statutory subject matter, i.e. not within technological arts. To overcome this rejection

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the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as using a digital computing device.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 231-232, 241, and 275 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims recite the conditional statement "if any" which render the claims indefinite since it is unclear to the examiner what the scope of the claims is when the conditional statements are false. The Applicant should consider rewriting the claim language to avoid the use of conditional statements. For examination purposes, the Examiner will take the broadest reasonable interpretation of the claims and assume that the conditional statement is true.

Claims 246 and 270 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims recite the conditional statement "whether or not the fund distribution..." which render the claims indefinite. The Applicant should consider rewriting the claim language to avoid the use of conditional statements. For examination purposes, the Examiner will take the broadest reasonable interpretation of the claims.

Claim 257 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 257 recites the limitation "the user" in page 6, line 4. There is insufficient antecedent basis for this limitation in the claim.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 231-278 are rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent Application Publication No. 2002/0049816 to Costin, IV et al.

Regarding claim 231, Costin disclose a user directed search method for facilitating the distribution of a predetermined benefit, the method comprising the steps of: associating the user of a computer device with at least one of a plurality of beneficiary groups (paragraph 11; paragraph 63; paragraphs 65-66); selecting at least one of a plurality of providers by accessing the at least one of the plurality of providers' Internet website (paragraph 62); transacting business with the at least one of the plurality of providers (paragraphs 62-63); authorizing a service entity to distribute the predetermined benefit, from the transaction to at least one of the plurality of beneficiary groups (paragraph 63; paragraphs 67-68; paragraph 73; Figure 5); accessing an

electronic network to effect the distribution of the predetermined benefit of such transaction, to that at least one of the plurality of beneficiary groups (Figure 5; paragraph 73; Figure 11); and providing the at least one of the plurality providers with notification of the distribution of such predetermined benefit (paragraphs 66-67; Figure 2-3).

Regarding claims 232-238, 258-262, and 264, Costin discloses the step of determining the allocation of the predetermined benefit (paragraph 70; paragraph 73; Figures 3-5; paragraphs 81-82); closing the on at least one of the plurality of provider's Internet website (paragraphs 62-63); meeting condition established by the at least one of the plurality of providers (paragraphs 62-63; paragraphs 67-68; Figures 5-6); the service entity is selected from the group consisting of a credit card company, a bank, and other service provider (Figure 5; paragraph 81); cash, credit and closing of the business transaction (Figure 5; paragraph 82; paragraph 81).

Regarding claims 239-243 and 265-267, Costin discloses wherein the at least one of the plurality of beneficiary groups receives the predetermined benefit of the completed transaction; Internet, data communication system and wireless network; the notification is evidence of compliance with distribution of the predetermined benefit; deducting a service fee for the use of the method in the making of the transaction and transferring the fee to an information server; the notification results in the transfer of the appropriate part of the determined benefit to the plurality of providers after the service has been deducted (Figures 3-6; paragraphs 30-36; paragraph 7; paragraph 61; paragraphs 67-68; paragraphs 81-82).

Regarding claims 244-246 and 268-270, Costin discloses a determined portion of the predetermined benefit to the at least one of the plurality of providers, and the at least one of the plurality of beneficiary groups; the predetermined benefit allocation is stored in memory; receiving a fund distribution request based upon the closing of the transaction; and determining whether or not the fund distribution request is subject to a predetermined transaction benefit allocation (Figure 2; Figure 5; Figure 7; paragraphs 67-68; paragraphs 81-82)

Regarding claims 247-249 and 271-273, Costin discloses providing an arrangement for the transaction; associating the user with at least one of a good, service, or information, the at least one of the plurality of providers being associated with the at least one of the plurality of beneficiary groups; arranging for at least one of the plurality of beneficiary groups associated with the user to benefit from the user obtaining the good, service or information from the at least one of the plurality of providers; and arrangement includes providing, to the user, a display including a name of the at least one of the plurality of providers (Figures 2-3; Figure 5; paragraph 63; paragraphs 66-68; paragraphs 80-82).

Regarding claims 250-254 and 274-278, Costin discloses receiving an input request and user-selected beneficiary group, associating the user with a beneficiary group, from the computer device; searching for the at least one of the plurality of providers, based upon the arrangement including a synergistic concentric circle search arrangement; and outputting any associated providers to the user; wherein the predetermined benefit is provided through electronic funds transfer; wherein the

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predetermined benefit is provided through mail; wherein the predetermined benefit is selected from the group comprising goods, can credit, tangible services, intangible services and information; wherein the display includes hyperlinks to at least one of the plurality of providers (Figures 2-3; Figure 5; Figure 20; paragraphs 65-67; paragraphs 80-82).

Regarding claim 255, Costin discloses a user directed search method for facilitating the distribution of a predetermined benefit, the method comprising the steps of: transacting business with at least one of the plurality of entities over the Internet via at least one of the plurality of entities's website (paragraph 62; paragraph 67); authorizing a service entity to distribute a predetermined benefit from the closing of the transaction to the at least one of the plurality of entities (paragraphs 62-63; paragraphs 67-68; Figure 7; paragraphs 29-36); accessing an electronic funds transfer system to effect the distribution of the predetermined benefit to the at least one of the plurality of entities (paragraph 63; Figure 5; paragraph 73); and providing the at least one of the plurality of entities with notification of the predetermined benefit (paragraphs 66-67; Figure 2-3).

Regarding claims 256-257, and 263, Costin discloses wherein the plurality of entities comprises at least one of a plurality of providers and at least one of a plurality of beneficiary groups (paragraphs 12-13; paragraph 66); selecting at least one of the plurality of providers by accessing the at least one plurality of providers' Internet website (paragraph 65; paragraph 67; Figure 2; Figure 7); associating the user of a computer device with at least one of the plurality of beneficiary groups (paragraphs 65-67;

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paragraph 80; Figure 20); and wherein the at least one of the plurality of beneficiary groups receives a percentage of the predetermined benefit (paragraph 68; paragraph 70; paragraph 72; paragraph 82).

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Canadian Demande-Application No. 2254,378 to Woodrow discloses a card based transaction system which includes distribution to charities.

U.S. Patent Application Publication No. 2002/0008146 to Singhal discloses a universal charging card system which identifies a customer-benefactor and a charity by coded information.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Marissa Thein whose telephone number is 571-272-6764. The examiner can normally be reached on M-F 8:00-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alex Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Mtot
September 18, 2005


JAMES MCCLELLAN
PRIMARY EXAMINER